

IC 21-1-7

Chapter 7. School Fund Loan Procedure

IC 21-1-7-1

Loans from funds; interest rate

Sec. 1. The principal belonging to the common school funds, the congressional township school fund, or the permanent endowment fund of Indiana University, and all accretions to the principal of school funds of the state of Indiana, held in trust by the several counties of the state, shall be loaned at four percent (4%) per annum, and each county of the state of Indiana holding in trust any parts of said funds shall be chargeable by the state, with interest at the rate of four percent (4%) per annum on the total of such funds so held by it, on and after June 1, 1943. Provided, however, that on all loans bearing a higher rate of interest than four percent (4%) per annum made previous to June 1, 1943, the interest on said loans shall be four percent (4%) per annum.

(Formerly: Acts 1943, c.251, s.1; Acts 1945, c.85, s.1.) As amended by P.L.2-1988, SEC.656.

IC 21-1-7-2 Repealed

(Repealed by P.L.211-1995, SEC.6.)

IC 21-1-7-3

County borrowing from fund

Sec. 3. In any county in this state where the common school fund, congressional township school fund, or the permanent endowment fund of Indiana University, or either of said funds, or any other items constituting parts of the principal of school funds of the state of Indiana shall accumulate to the amount of one thousand dollars (\$1,000) or more, it shall be lawful for such county to borrow and use such funds, or any portion thereof, for any lawful purpose for a period not exceeding five (5) years.

(Formerly: Acts 1943, c.251, s.3.) As amended by P.L.211-1995, SEC.1.

IC 21-1-7-4

County borrowing; procedure

Sec. 4. Whenever any county council shall determine to borrow and use any such funds under the provisions of this chapter, such council shall cause to be entered of record an ordinance specifying the amount of such funds to be borrowed and used and shall specify the time for which such loan shall be made, and the board of county commissioners shall execute to the state of Indiana for the use of the said funds a written obligation, executed by said board and attested by the auditor, specifying the facts under which the same is executed, the sum of money borrowed, and the time when such money shall be repaid to such fund by the county. Said obligation shall be deposited with the auditor of the county and shall be preserved by him, and such auditor shall make entries of record in his office respecting such

loans. It shall be necessary to comply with the provisions of IC 6-1.1-20 in making any such loan to the county from the school funds.

(Formerly: Acts 1943, c.251, s.4; Acts 1949, c.81, s.1.) As amended by P.L.2-1988, SEC.657; P.L.211-1995, SEC.2.

IC 21-1-7-5

County borrowing; payment of money

Sec. 5. On the deposit of such obligation with the county auditor, he shall draw his warrant upon the county treasurer, in favor of such county, for the amount of money specified in such ordinance and obligation; and on presentation of such warrant to such treasurer, he shall transfer the amount thereof from the principal sum of the common school funds, the congressional township school funds or the permanent endowment fund of Indiana University, in his hands subject to loan, to the credit of the county revenue of such county, and such sum shall become a part of the general revenue funds of the county.

(Formerly: Acts 1943, c.251, s.5.)

IC 21-1-7-6

Investments of unloaned funds

Sec. 6. (a) Whenever any of such funds shall have remained in the county treasury of any county to which the same may belong for a period of four (4) months without having been loaned under the provisions of this chapter, upon the request of the auditor, the board of county commissioners may, by an order entered of record, direct the treasurer to invest such funds in:

- (1) bonds, notes, certificates, and other valid obligations of the United States; and
- (2) in bonds, notes, debentures, and other securities issued by any federal instrumentality and fully guaranteed by the United States.

(b) If it becomes necessary to obtain the funds invested in said government bonds in order to be able to make a loan to any borrower, whose application has been approved and granted, the treasurer shall sell, at his earliest opportunity, sufficient of such government bonds to make such loan.

(Formerly: Acts 1943, c.251, s.6.) As amended by P.L.2-1988, SEC.658.

IC 21-1-7-7

Repealed

(Repealed by Acts 1972, P.L.170, SEC.1.)

IC 21-1-7-8

Repealed

(Repealed by P.L.211-1995, SEC.6.)

IC 21-1-7-9

Repealed

(Repealed by P.L.211-1995, SEC.6.)

IC 21-1-7-10

Repealed

(Repealed by P.L.211-1995, SEC.6.)

IC 21-1-7-11

Repealed

(Repealed by P.L.211-1995, SEC.6.)

IC 21-1-7-12

Repealed

(Repealed by P.L.211-1995, SEC.6.)

IC 21-1-7-13

Payments of principal and interest to county treasurer

Sec. 13. All payments of principal or of interest shall be paid to the county treasurer, and his receipt shall be filed with the county auditor, who shall give the payer a quietus therefor, and make proper entries; Provided, however, That the county auditor be and he is hereby authorized to accept payment of principal or of interest and to immediately transmit and pay the same to the county treasurer.

(Formerly: Acts 1943, c.251, s.13.)

IC 21-1-7-14

Repealed

(Repealed by P.L.211-1995, SEC.6.)

IC 21-1-7-15

Repealed

(Repealed by P.L.211-1995, SEC.6.)

IC 21-1-7-16

Repealed

(Repealed by Acts 1982, P.L.1, SEC.71.)

IC 21-1-7-17

Repealed

(Repealed by P.L.211-1995, SEC.6.)

IC 21-1-7-18

Repealed

(Repealed by P.L.211-1995, SEC.6.)

IC 21-1-7-19

Repealed

(Repealed by P.L.211-1995, SEC.6.)

IC 21-1-7-20

Examination of records and affairs of school funds

Sec. 20. The state board of accounts shall examine the records and affairs of the school funds held in trust by the several counties, and in the event that any such examination discloses a violation of this chapter, then the state examiner shall order that the county auditor or other public official charged with the performance of any duty comply with this chapter. In the event that the county auditor or other public official fails to comply with any such order within a reasonable time, then the state examiner shall certify to the prosecuting attorney of the county a copy of the report of examination and of the order issued for proper proceeding to enforce this chapter.

(Formerly: Acts 1943, c.251, s.20.) As amended by Acts 1978, P.L.2, SEC.2102; P.L.11-1987, SEC.24; P.L.211-1995, SEC.3.

IC 21-1-7-21**Repealed**

(Repealed by Acts 1972, P.L.170, SEC.1.)

IC 21-1-7-22**Repealed**

(Repealed by Acts 1972, P.L.170, SEC.1.)

IC 21-1-7-23**Repealed**

(Repealed by P.L.211-1995, SEC.6.)

IC 21-1-7-24**Repealed**

(Repealed by P.L.211-1995, SEC.6.)

IC 21-1-7-25**Repealed**

(Repealed by P.L.211-1995, SEC.6.)

IC 21-1-7-26**Repealed**

(Repealed by P.L.211-1995, SEC.6.)

IC 21-1-7-27**Repealed**

(Repealed by P.L.211-1995, SEC.6.)

IC 21-1-7-28**Repealed**

(Repealed by P.L.211-1995, SEC.6.)

IC 21-1-7-29**Annual report of county auditors and county treasurers**

Sec. 29. County auditors and county treasurers shall annually, as

of the close of business on the 30th day of April, report, in writing, to the boards of county commissioners of their respective counties, at the May sessions of said boards relative to the school funds held in trust by said counties, distinguishing, in said reports, between the congressional township and common school funds; and the permanent endowment fund of Indiana University; indicating the amount thereof; the additions to them within the current year then ending; the sources from whence such additions are derived; the condition of them as to their safety, giving the amount thereof safely invested, unsafely invested, and uninvested, and any loss, at the date of said reports; giving also the amount of interest collected upon said funds within the year then ending, and any amount then due and unpaid.

(Formerly: Acts 1943, c.251, s.29; Acts 1947, c.250, s.1.)

IC 21-1-7-30

Examination of auditors' and treasurers' reports by county commissioners

Sec. 30. The boards of county commissioners shall, annually at their May sessions, in the presence of the auditors and treasurers, examine said reports, the accounts and proceedings of said officers in relation to said funds, and the revenue derived from them. They shall compare with said reports, the cash, the notes, mortgages, records and books of said officers, with a view to ascertain the amount of said funds and their safety; and do whatever may be necessary to secure their preservation and the prompt payment of the interest thereon as the same becomes due; and make up to said funds losses which have accrued or may accrue.

(Formerly: Acts 1943, c.251, s.30; Acts 1947, c.250, s.2.)

IC 21-1-7-31

County commissioners report on examination

Sec. 31. Each board of county commissioners, at said session, shall make out a report, in writing, of the result of such examination, showing:

First. The amount of said funds at the close of the last year.

Second. The amount added from sale of land within the year.

Third. The number of acres of unsold congressional township school lands, and the approximate value thereof.

Fourth. The amount added from fines and forfeitures.

Fifth. The amount added by the commissioners of the sinking fund.

Sixth. The amount added from all other sources.

Seventh. The total amount of the funds.

Eighth. The amount refunded within the year.

Ninth. The amount reloaned within the year.

Tenth. The amount safely invested.

Eleventh. The amount unsafely invested.

Twelfth. The amount uninvested.

Thirteenth. The amount of any fund lost within the year.

Fourteenth. The amount of interest collected within the year.

Fifteenth. The amount of interest delinquent.

And in such report, said board shall distinguish between the congressional township fund, the permanent endowment fund of Indiana University, and the common school fund; and in its account of the interest or revenue derived from said funds, it shall observe the same distinction.

(Formerly: Acts 1943, c.251, s.31.)

IC 21-1-7-32

Record and copies of reports

Sec. 32. Such report shall be entered on the records of said board; the copies thereof, signed by the members of the board, the auditor and the treasurer, shall be transmitted to the auditor of state and the superintendent of public instruction.

(Formerly: Acts 1943, c.251, s.32.)